GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2218
ANSWERED ON:14.03.2008
INVESTMENT IN THE IPO OF RELIANCE POWER LTD.
Mishra Dr. Rajesh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether tfo; Life Insurance Corporation, General Insurance Corporation and State Bank of India Mutual Funds invested heavily in the Initial Public Offer of Reliance Power Ltd. in January, 2008;

(b) if so, the details thereof; and

(c) the loss incurred due to steep fall of Reliance Power Limited`s Initial Public Offer on the first two days of its listings?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b): The Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and State Bank of India Mutual Funds (SBIMF) had subscribed to Initial Public Offer of equity shares of Reliance Power Ltd., the details of shares allotted to them and average cost per share are as under:-

Institution	Shares allotted	Average Cost Per Share
LIC	26,23,848	Rs.450/-
GIC	7,47,799	Rs.450/-
SBIMF	6,22,723	Rs.450/-

(c): While there has been notional loss to LIC, GIC and SBI Mutual Fund arising out of the fall in the :;hare price of Reliance Power Limited in the first wo days of its listing, there has not been an actual loss to these institutions as no shares of the said company were sold by them during those two days. SBI MF has however sold 3,78,275 snares thereafter at ;in average price of Rs.451.70, thus showing a marginal profit.